

ISTANBUL TECHNICAL UNIVERSITY ★ GRADUATE SCHOOL OF SCIENCE
ENGINEERING AND TECHNOLOGY

**RECAPTURING LOST CUSTOMERS:
AN EMPIRICAL STUDY IN E-COMMERCE**

M.Sc. THESIS

Burcu ALTAN

Department of Management Engineering

Management Engineering Programme

MAY, 2014

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(507101004)**

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Thesis Advisor: Assoc. Prof. Dr. Ayşe Banu ELMADAĞ BAŞ

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İSTANBUL TEKNİK ÜNİVERSİTESİ ★ FEN BİLİMLERİ ENSTİTÜSÜ

**KAYIP MÜŞTERİLERİN GERİ KAZANILMASI:
ELEKTRONİK TİCARET’TE AMPİRİK BİR UYGULAMA**

YÜKSEK LİSANS TEZİ

**Burcu ALTAN
(507101004)**

İşletme Mühendisliği Anabilim Dalı

İşletme Mühendisliği Programı

Tez Danışmanı: Doç. Dr. Ayşe Banu ELMADAĞ BAŞ

MAYIS, 2014

Burcu Altan a **M.Sc.** student of **ITU Graduate School of Science, Engineering and Technology** student ID 507101004, successfully defended the **thesis** entitled “**RECAPTURING LOST CUSTOMERS: AN EMPIRICAL STUDY IN E-COMMERCE**”, which she prepared after fulfilling the requirements specified in the associated legislations, before the jury whose signatures are below.

Thesis Advisor : **Assoc. Prof. Dr. Ayşe Banu ELMADAĞ BAŞ**
Istanbul Technical University

Jury Members : **Assoc. Prof. Dr. Elif KARAOSMANOĞLU**
Istanbul Technical University

Asst. Prof. Dr. Gülberk Gültekin SALMAN
Bahçeşehir University

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To my family,

FOREWORD

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Burcu ALTAN
(Industrial Engineer)

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ABBREVIATIONS

CRM	: Customer Relationship Management
E-COMMERCE	: Electronic Commerce
H	: Hypothesis
FLTV	: First Lifetime Value
LTV	: Life Time Value
ROI	: Return on Investment
SLTV	: Second Lifetime Value
SPSS	: Statistical Package for the Social Sciences

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RECAPTURING LOST CUSTOMERS: AN EMPIRICAL STUDY IN E-COMMERCE

SUMMARY

Customer Relationship Management (CRM) has been one the most popular and important topic for both academicians and firms within the globalizing world. The focus of the CRM is to create valuable relationship with the customers and make them more loyal and profitable for the companies.

Initially, the companies that focused on the acquiring new customers then have started to realize the importance and benefits of the customer retention. Traditional acquiring is mainly focused on the potential customers where the retention management focuses on creating valuable relationship with the current customers and increasing the customer loyalty and customer retention rate. Customer acquisition and customer retention have become the main topics of the researches within the CRM. After a while, the researchers and firms have started to realize that 100 percent customer retention is not realistic and some customers terminate their relationship and prefer other companies regardless the customer retention programmes. Switching behavior of customers not only has a directly negative effect on customer profitability but also have an effect on the reputation of the company. The customers who have defected and terminate the relationship spread their negative opinions to their social environment and create negative word-of-mouth about the firm which also direct effect on firms' profitability.

Consequently, importance of the reacquisition programmes has been identified and it has become one of the substantial topics of CRM. Customer reacquisition management is aimed to gain lost customers who have terminated the relationship because of a defection or any reason. Unlike the customer acquisition and retention, the customer win - back focus directly on the lost or defected customers who have quit the business relationship. Compared to cost of the customer acquisition and success rate, the reacquisition rate is very higher and costs are also very lower in the reacquisition management.

With a successful regain management, the firms can take several important benefits as the lower acquisition costs, increased positive word of mouth, higher customer satisfaction and loyalty and having a chance to prevent the potential defections while learning and making improvements on the defected points that derive the termination.

Although CRM programmes provide companies advantages, there is still a gap on the recapturing management but unfortunately there are limited researches are focused on how the lost customer is regained.

The purpose of this thesis is to define the regain management process and its determinants and contribute to the existing literature on this topic. First, the literature is examined to develop the background of regain management with its determinants.

This is followed by the conceptual model and hypotheses that are tested in one of the Electronic Commerce Company in Turkey.

The hypotheses are explained the relationship between the propability of the customer win-back and switching reason, elapsed time since the last purchase of the customer, elapsed time since the web-site visit, the number of purchasing in the first tenure before the termination, age and gender.

The data is collected from the lost customer via an online survey and also the last patterns of the customers are taken from the company. After analyzing the all data, an offer which include price incentives on the products and services of the firm, are submitted to the lost customer to see if they will be regained or not.

The results show that, offering price incentives has a great impact on switching-back behavior of the lost customer if the switching reason is related with price. Also this offer has impact on the overall switching behavior. Even the switching reasons are not relevant with price; the regaining ratio is higher as a response to price incentives.

It has been also found that the number of the purchasing during the first tenure is positively related to probability of customer win-back. If the interaction between the company and customer is higher, it increases the probability of recapturing the lost customer. At the same time, the elapsed time since the last purchase is negatively related to probability of customer win - back. During the elapsed time, the customer could start to new relationship with any other firms and it makes difficult to regain this customer. The another variable which has an effect on the customer win-back programme has been also found. The elapsed time since the last visit of the web site of the company is negatively related to probability of customer win-back. If the lost customer is still looking at the web-site, it means that he or she could be looking for something to buy. A win-back offer is more effective on this customer who currently has visited the web-site of the company. There is no significant relation is found between the age, gender and customer win-back.

Due to the cost of recapturing management, the companies could not target the entire lost customers; they need to focus on profitable ones consideringly the probability of customer win – back.

It has been also found that second lifetime value which has started after the reacquisition is positively related with the first lifetime value that has occurred in the first tenure before the defection.

According to the results, the companies should target to the lost customer whose recapturing probability and profitability is higher according to findings in this research. This research clearly identifies the variables that effect the probability of regaining lost customer and give valuable implications to managers about the customer regain management.

KAYIP MÜŞTERİLERİN GERİ KAZANILMASI: ELEKTRONİK TİCARET’TE AMPİRİK BİR UYGULAMA

ÖZET

Globalleşen dünyada artan rekabet koşulları ile birlikte Müşteri İlişkileri Yönetimi firmalar ve araştırmacılar tarafından en çok ilgi gören konulardan biri haline geldi.

Müşteri İlişkileri Yönetimi şirketlerin müşteri odaklı organizasyonlara dönüştüğü ve müşteriler ile kurulan ilişkilerin önem kazandığı bir yönetim anlayışını ifade etmektedir. Bu yönetim anlayışı ile ilk olarak müşteri kazanımına odaklanan şirketler, müşteriyi elde tutmanın da önemini ve faydalarını fark ettiklerinden, müşteri memnuniyetini ve sadakatını artırıcı çalışmalar yapmaya başladılar. Müşteri kazanımının pazarlama, iletişim ve promosyon gibi maliyetler nedeni ile müşteri elde tutundurmada daha maliyetli olduğunu fark eden firmalar, karlarını arttırmak amacı ile müşterilerine yoğun sadakat programları tasarlamaya ve uygulamaya başladılar. Müşteriyi daha yakından tanımaya olanak sağlayan sadakat programları müşterinin şirkete bağımlılığını ve müşteri yaşam çevrimini artırarak şirketlerin karlılıklarını arttırmalarına olanak sağladı.

Müşteriyi elde tutmak için yapılan çalışmaların yatırım getirilerinin yeni müşteri kazanımından fazla olması sebebiyle, firmaların karlılıkları giderek arttı. Bunlar ile birlikte akademik alanda da müşteri elde tutundurma, müşterilerin tekrar satın alma davranışlarını etkileyen değişkenleri bulmaya yönelik pek çok konuda araştırmalar yapılmaya başlandı.

Bir süre sonra müşteri elde tutundurma programlarının tüm müşteriler için başarılı sonuçlanmadığı, bazı müşterilerin firma ile ilişkisini sonlandırarak başka firmaları tercih etmesi nedeni ile firmalar ve araştırmacılar müşteri elde tutundurmanın yanında müşteri geri kazanımının da önemini fark etmeye başladılar.

Müşteri geri kazanımı herhangi bir nedenle firma ile ilişkisini kesmiş ve artık kayıp müşteri olarak adlandırılan müşteri grubunun geri kazanılmasını hedefleyen bir yönetim anlayışıdır. Yeni müşteri kazanım oranlarının kayıp müşteri geri kazanım oranlarından daha düşük olması ve aynı zamanda yeni müşteri kazanımının maliyetli olması nedeni ile, kayıp müşterilerin tekrar firmaya dönmelerinin sağlanması gerek firmalar gerek araştırmacılar için daha önemli bir konu haline gelmeye başladı.

Müşteri geri kazanımının firmaya getirdiği faydalar firmaların karlılığını ve rekabet gücünü arttırmaya başladı. Firmadan kaynaklanan nedenler ile firma ile olan ilişkilerini kesen müşteriler, bu nedenleri firma ile paylaşmak yerine, yakın arkadaşları, sosyal çevreleri ve hatta sosyal mecralarda binlerce insan ile bu nedenleri paylaşarak firma hakkında kötü bir izlenim yaratabilmektedirler. Hem kendileri ile ilgili kötü izlenimi engellemek, hem de düşük bir maliyet ile kayıp müşterilerin geri kazanarak karlılığını arttırmak isteyen şirketler müşteri geri kazanıma önem vermeye başladılar.

Kayıp müşterilerin gitme nedenleri firmalar tarafından incelenerek hangi noktalarda süreçlerinde iyileştirme yapmaları gerektiğini fark etme fırsatı bulan firmalar, bu konularda kendilerini geliştirerek kayıp olan müşterileri tekrar elde etme fırsatı buluyorlar.

Firmalar ancak etkin ve planlı bir müşteri geri kazanımı süreci yöneterek bu yönetim anlayışının getirdiği olumlu sonuçlardan faydalanabilirler. Literatürde bazı çalışmalar müşteri geri kazanma sürecinin adımları üzerinde dururken bazı çalışmalar ise hangi müşterilerin geri kazanılmasının daha etkin olduğunu gösteren çeşitli çalışmalar ortaya koyuyorlar.

Gerek konu ile ilgili literatür araştırmaları gerek ise firmalar tarafından deneyimlenen süreçte görülüyorki ilk önemli adım kayıp müşterilerin kim olduğu ve aynı zamanda bu kaybı tetikleyen nedenlerin bulunmasıdır. Müşteri geri kazanma süreci de firmalar tarafından zaman ve bütçe ayrılması gereken çalışmalar olduğundan, her kayıp müşteri için bu sürecin yönetilmesi firmalar ve araştırmacılar açısından efektif bulunmamaktadır. Bu nedenle hangi müşterilerin geri kazanılmaya çalışılacağına, gitme nedenleri ve müşteriye ait diğer değişkenler belirlendikten sonra karar verilmesi gerekmektedir. Buradaki asıl amaç, firma karlılığına etki edecek kayıp müşterilerin hedef alınması ve bu amacın dışında kalan müşteriler için zaman ve kaynak harcanmamasıdır.

Dikkate alınması gereken önemli değişkenlerden biri, müşterilerin firma ile ilişkilerini neden sonlandırdığıdır. Müşteri kaybına neden olan sebep her zaman firmanın ya da satın alınan ürün ya da hizmetin yetersizliğinden değil bazen de müşterinin kendinden kaynaklanan sebeplerden dolayı meydana gelebilmektedir. Örneğin müşterinin başka bir lokasyona taşınmış olması ve firmanın bu lokasyona hizmet vermiyor olması müşterinin kendinden kaynaklanan bir sebeptir ve firma bu müşteriyi geri kazanmaya çalışsa bile başarısız olacağı için bu kayıp müşterileri geri kazanma sürecine dahil etmemelidir.

Bazı literatür çalışmaları, müşteri geri kazanımında etkili diğer faktörleri de araştırarak çeşitli hipotezler sunmuş ve bu sürece katkıda bulunmuşlardır. Örneğin; araştırmacılar tarafından müşterinin ilişkisini sonlandırdığı firma ile ilişkide bulunduğu sürenin müşterinin geri kazanım olasılığını arttırdığı kanıtlanmıştır. Ayrıca araştırmalar, müşterinin son alışverişinden geçen zaman, eski hizmet sağlayıcısından duyduğu memnuniyet duygusu gibi değişkenlerin de müşterinin geri gelmesindeki olasılığı etkilediğini doğrular niteliktedir.

Tüm bu değişkenler dikkate alınarak müşteriye özel olarak sunulacak bir teklif belirlenmeli ve müşteriye iletilmelidir. Müşteri geri kazanımı sürecinin son aşamasında bu sürecin etkinliği ve verimliliği müşterilerin geri dönüş oranları ile orantılı olarak ölçülür. Müşteriyi geri kazanmak için katlanılan maliyetlerin, müşteriden sağlanacak olan fayda ile karşılaştırılması yapılarak bu çalışmanın firma için getirisi hesaplanır.

Müşteri geri kazanımı sürecinin bazı sektörlerde uygulanması daha kolay olduğundan yapılacak ölçümlemeler ve analizler daha verimli olabilmektedir. Bu süreçte en önemli tanım, müşterinin gerçekten kaybedilip kaybedilmediğinin belirlenmesidir. Sigorta şirketleri gibi kontrat ile çalışan iş modellerinde müşteri kontratını iptal eder ya da yenilemez ise müşteri kayıp müşteri olarak adlandırılabilir ve müşteri geri kazanımı süreci başlatılabilir. Fakat bu iş modelleri ile hizmet veren

şirketler dışında bu süreci yönetmek çok kolay olmamaktadır. Özellikle kullanıcının bilgiye erişiminin kolay olduğu, servis aldığı firmayı değiştirmenin hiç bir maliyeti bulunmadığı iş modellerinde kayıp müşteri oranları oldukça yüksektir. Elektronik ticaret sektöründe hizmet veren firmalar için de aynı durum söz konusudur. Kullanıcıların ürünler ve servisler hakkında sadece internet bağlantısını kullanarak tüm bilgilere erişimlerinin olması, servis alınan firmanın bir tık ile maliyetsiz olarak değiştirilebilir olması, tüm ürünlerin ve hizmetlerin fiyatlarının ve özelliklerinin çeşitli siteler aracılığı ile karşılaştırılabilir olması gibi nedenler kullanıcıların şirkete olan bağlılıklarını azaltmakta ve bu da yüksek sayıda müşteri kaybı ile sonuçlanarak şirketlerin karlılıklarını azaltmaktadır.

Müşteri geri kazanımının önemi son yıllarda gerek şirketlerde gerekse araştırmacılar arasında önem kazanmaya başlasa da bu alandaki araştırmalar henüz yeterli değildir. Bu nedenle bu çalışma, var olan literatüre katkı sağlamak, şirketlere yeni yönetsel bakış açıları kazandırmak amacı ile müşteri geri kazanımı sürecini temel olarak almıştır ve bu konu ile ilgili literatür taramasına yer verilmiş, ayrıca sürecin adımları ayrıntılı olarak incelenmiştir. Müşterilerin geri kazanılmasında müşteri geri kazanımı üzerindeki etkenler geçmiş çalışmalar da dikkate alınarak açıklanmış ve değişkenler ile ilgili hipotezler kurulmuştur. Çalışmada, müşterilerin firma ile ilk ilişkileri süresince gerçekleştirdiği alışveriş sayısının ve müşterilerin yaşlarının müşteriye geri kazanma olasılığı ile pozitif yönlü bir ilişkisinin olduğu, son alışveriş tarihinden sonra geçen zaman ve siteyi son ziyaretinden sonra geçen zamanın artmasının müşterinin geri kazanma olasılığını negatif yönde etkilediğine dair hipotezler kurulmuştur. Ayrıca müşterinin ilişkiyi sonlandırma nedeninin yüksek fiyat ile ilgili olduğu durumlarda, müşteriye sunulacak düşük fiyatlı bir teklifin bu müşterilerin geri gelme olasılığını diğer müşterilere göre arttıracak yönündeki hipotez de çalışmada belirtilmiştir.

Hipotezlerin doğrulanması için ihtiyaç duyulan data Türkiye’de Elektronik Ticaret sektöründe hizmet gösteren başarılı firmalardan biri olan şirket sayesinde elde edilmiş ve analizlerde kullanılmıştır. Müşterinin firma ile ilişkisinin bitirme nedenini öğrenmek için kullanıcılara online olarak bir anket uygulanmış ve sonuçlar müşteri bazında analiz edilmiştir. Müşterileri geri kazanmak için, anketi cevaplayan tüm kayıp müşterilere firmanın web sitesinde geçerli bir indirim tanımlanmış ve hangi müşterilerin geri döndüğü analiz edilmiştir. Sunulan teklif sonrasında geri dönüş oranı %27 olarak görülmektedir. Oluşturulan hipotezlerden ve geri gelen müşterilerin verilerinden yola çıkarak daha çok sayıda alışveriş yapan müşterilerin daha az sayıda alışveriş yapan müşterilere göre daha büyük oranda geri kazanıldığı ortaya çıkmıştır. Daha fazla alışveriş yapan müşterilerin firma ile olan etkileşiminin artması sonucu firmaya olan bağlılık güçlenmiş ve bu da tekrar alışveriş yapma davranışı ile sonuçlanmıştır. Ayrıca müşterilerin son alışveriş tarihinden geçen sürenin uzamasının müşterinin geri dönme davranışı üzerinde olumsuz bir etkiye sahip olduğu kanıtlanmıştır. Bu sürenin uzaması ile birlikte, müşterinin başka bir firmadan hizmet alma olasılığı arttığından müşteri geri dönüşleri azalmaktadır. Şirketin online satış yaptığı web-sitesini daha yakın zamanda ziyaret eden müşterilerin diğer müşterilere göre daha fazla oranda geri kazanıldığı görülmektedir. Sunulan teklifin ekonomik bir değer içermesi nedeni ile bu teklifin en çok ilişkiyi sonlandırma nedeni “fiyatların yüksek olması” olarak belirtilen müşteriler üzerinde etkili olduğu kanıtlanmıştır. Yaş ve cinsiyet ile müşterilerin geri kazanılması arasında bir ilişkiye rastlanmamıştır.

Müşteri geri kazanımında her müşterinin hedef olarak alınması ve kazanılması firmalar açısından karlı olmadığından, firmalar hedef olarak geri kazanılma olasılığı yüksek ve aynı zamanda firmanın karlılığına olumlu yönde etki edecek müşterileri seçmek zorundadırlar. Çalışmanın ilk aşamasında hangi özelliklere sahip kayıp müşterilerin gelme olasılıklarının yüksek olduğu belirlenmiştir. Çalışmanın ikinci aşamasında ise müşterinin geri kazanımından sonraki yaşam süresi içerisindeki değerinin ilk yaşam döngüsündeki değeri ile orantılı olduğu sonucuna varılmıştır. Bu ilişki müşterilerin kazanılmadan önce ve kazanıldıktan sonra yaptığı harcamaları arasında karşılaştırma yapılarak bulunmuştur.

Müşteri geri kazanımı, şirketlerin karlılıklarını sürdürmeleri, süreçlerini sürekli geliştirmeleri, iyileştirmeleri, firma hakkında olumsuz izlenimleri olumlu hale getirebilmeleri gibi faydaları dikkate alındığında, şirketler tarafından sürekli uygulanan ve takip edilen bir yönetim anlayışı olmalıdır. Müşterilerin firmaya bağlılıklarının her geçen gün azalması ile, şirketlerin sadece yeni müşteri kazanımına değil firmanın karlılığına ve gelişimine katkı sağlayacak kaybedilmiş müşterilerin de geri kazanımına odaklanmalıdır.

1. INTRODUCTION

Customer Relationship Management is one the most popular and important topic for both academicians and firms (Thomas et al. 2004; Tokman et al. 2007). First, the marketing speacially focused on acquiring new customers (Stauss and Friege, 1999). After a while, the firms realized that not only acqusition management is enough to survive in the competitive markets, customer retention is also critical for the survival (Stauss and Friege, 1999; Helfert et al. 2003).

Due to the rapid changes in the global markets, the ease of accesing the data due to the Internet around the world makes permanent acquisitions of the new customers more important (Helfert et al. 2003). Traditional acquiring is mainly focused on the potential customers where the retention management focus on creating valuable relationship with the current customers and increase the customer loyalty and customer retention rate.

The companies can take advantage of the CRM for example; they can increase the customer loyalty and firm profitability with the successful campaigns (Payne and Frow, 2005). The successful customer retention management provides to the firms stable level of business, decreasing the operational and advertising cost, positive word of mouth about the firm, positive impact on the firm's profit (Reichheld, 1993). The firms also realized that the cost of acquisition of the new customer is more expensive then retaining the current customer because of the required investment on the new customers (Helfert et al. 2003). The marketing cost that is spent to reach potential customer does not always result with acquiring a new customer for the firm.

Although all the benefits of the customer retention, to provide %100 retention rate is not a realistic in the globalisation and competitive global markets for the firms. The dominant focus of customer relationship management has been customer retention for both academics and practitioners over years (Thomas et al, 2004). The most CRM researches don't focus on customer winback directly. According to Thomas et al. (2004), "Although progress has been made in the management of customer

relationships, there are still high defection rates” (p.31). The companies start to understand that keeping the retention rate higher is a difficult task. Researchers have also recognized that customer-switching behavior could have detrimental effect on the profitability of the firms (Ganesh et al. 2000). That is why, to succeed in the markets, the service providers need to focus on not only potential and existing customers but also lost customers as a separated group within the customer management (Stauss and Friege, 1999).

Stauss and Friege (1999) found that the net return on investment from a new customer obtained is 23% but the return on investment from the recapturing customers who has defected is %214. Winback efforts are more effective and efficient than new acquisition efforts (Tokman et al. 2007). These studies show that the winning back lost customers is more profitable than acquiring the new customers. According to these results, the firms have started to realize that customer win back should be an important part of the Customer Relationship Management that need to be focused and investigated strategies on it.

1.1 Purpose of Thesis

The purpose of this thesis is to define the regain management process and its determinants. First, the literature is examined to develop the background of regain management and its determinants. This is followed by the conceptual model and hypotheses that was tested in one of the Electronic Commerce Company in Turkey. The result from the empirical study is explained and discussed. Finally, the implications and limitations of this study are discussed.

2. REGAIN MANAGEMENT

The main aim of the regain management is to reinitialize the customer relationship with the customers who have already terminated (Helfert et al. 2003). Regain Management focus on the planning, realization and controlling processes which are about the customers who give notice the terminate the relationship or has already ended the relationship with the firm (Stauss and Friege, 1999). Homburg et al. (2007) define the regain activities which aim at re-establishing customer relationship as customer relationship revival activities within their study.

Stauss and Friege (1999) define customer reacquisition as “rebuilding the relationship with customers who explicitly quit the business relationship” (p. 348). Thomas et al. (2004) specify customer reacquisition as “the process of firms’ revitalizing relationships with customers who have defected” (p. 31).

As Stauss and Friege (1999) specify “traditional recruitment is directed to prospects who lack experience with the service offered for retention management, current customers are the target group” (p.348), whereas regain management is directed to lost or defected customers who have had already purchasing experience with the firm. Even if the customer have had a problem but doesn’t terminate the relationship with the firm, this issue should be examined within the retention management but if the customer terminates the relationship, this will be the topic of regain management.

The definition of lost customer differs from the authors to authors but it mainly points the customers who has created the relationship but then stopped the because of a defection or for any reason. According to Stauss and Friege (1999) “Customers are “expired” or “lost” when ever they either cease to purchase or explicitly terminate the relationship.” (p.348). Homburg et al. (2007) define the lost customer who had established a relationship with the company but now has terminated the relationship.

2.1 Benefits of the Customer Regain Management

Customer reacquisition provides firms with high financial and service improvement benefits (Tokman et al. 2007). A study by Marketing Metrics has found that an average firm has a 60–70 percent probability of successfully selling again to active buyers, a 20–40 percent probability of successfully selling to lost customers, and only a 5–20 percent probability of making a successful sale to new prospects (Griffin and Lowenstein 2001).

In the reacquisition process, the first step is to determine the lost customers and their defection reasons. The researchers have shown that defected customers are most likely to leave the company without complaining when they defected. To learn the defection reason from the lost customer provide firms to have a chance to understand the troubled points and give them a chance to fix these problems and it can be also a new chance to prevent the following customer defections. After learning the defection reason, if the firm finds a solution for the problem that customer has, the lost customer becomes more satisfied and it directly derives the next-time purchasing. It also prevents the negative word-of-mouth and increase the positive word-of-mouth.

Before the social media (usage of internet), the defected customers spread the negative opinions about the firms to ten people, but with the increased usage of social media, the people spread their opinions to thousand people. Regain Management also provides the firms to avoid the effect of negative word of mouth and give a chance to increase the positive word of mouth. The expense of negative word of mouth can be even higher than the expense of losing a customer. According to Keaveney and Parthasarathy (2001), to prevent the negative word of mouth and give a chance to firm attract new customers through the increasing word of mouth and it ends up with the increased the market share. Keaveney and Parthasarathy (2001) state that the switchers are more likely to rely on word of mouth resources when making the switching decision rather than the researches or previous experiences on the online services.

The researches are shown that, serving a regular customer is more profitable for the customer due to lower selling cost and operation efficiencies (Keaveney and

Parthasarathy, 2001; Reicheld and Kenny, 1990). To win-back lost customer also increase the potential sales for the future.

From the strategic side, losing a customer means the strengthening of one of the competitors (Stauss and Friege, 1999). To gain back lost customer provides firm to stability and profitability. These objectives can be only achieved via successfully designed regain management.

2.2 Literature Review

Although CRM programmes provide companies advantages, there is a limited researches are focused on how to regain lost customer. Most of the researches focus on the switching behavior and its determinants (Keaveney, 1995; Ganesh et al. 2000; East et al. 2012).

First, Stauss and Friege (1999) developed a conceptual basis for regain management aimed at winning back customers who have already terminated the relationship or give notice to terminate the business relationship with the firm. In the research, they separate the regain management into three different process; regain analysis, regain actions and regain controlling and explain the each step. This research is the first who mentioned about the Second Lifetime value (SLTV) which is the value that start in the second tenure of the customer after reacquisition.

Helfert et al. (2003) developed a five-step process framework for customer regain management in e-business. They explain the measures for identifying, selecting and reactivating of terminated relationships. They mainly focus on the web usage and its effects on the customer regain management in the context of online shop. Unless the other researches, this research gives insight to the e-commerce companies how they could build successful regain management process from beginning to end. This study does not provide an empirical study to see the results of the win-back programmes.

Thomas et al. (2004) examined the effects of pricing and relationship lapse duration on customer recapture likelihood and on the duration of the revitalized relationship. Thomas et al. (2004) determined drivers of reacquisition while using a statistical analysis. It is one of the studies which provides an empirical study to explain the likelihood of customer recapture. It assumes that elapsed time from the last purchase and price that derive the customers' intentions to turn back rather than other

variables. The model of this study don't define why the lapse occurred. They assume that unfavorable price perceptions have a direct effect on switching intentions based on the prior research.

Homburg et al. (2007) provides a theoretical discussion and an empirical analysis of factors driving the success of relationship of revival activities. They use the equity theory as the base to find out that if the customers evaluate the interaction, procedures and the company's revival efforts more positively, they are more likely to start the relationship again. They also define the effects on customer characteristics (variety seeking, involvement and age) and the overall satisfaction on the revival performance. They put forth that older customers, highly involved customers and customers who have satisfied with the company according to previous relationship is more likely to continue the relationship management. This research explain the cognitive and emotional factors that drive the regain action but they don't research the defection reason or the last purchasing data of the customers and their impact on the win - back campaigns.

Tokman et al. (2007) develop an empirical model for the perceived value of a win-back offer, identify its determinants and assess its impact on defected customers' intentions to return back. Tokman et al. (2007) put insight about the impact of value determinants on intentions to return back is investigated along with elapsed time, switching reason, delight with the current service provider, feelings of regret regarding the original switch, and the defected customer's satisfaction with the original service provider at the time of original switch. They more investigate the emotional attitude of the lost customers.

In this thesis, the regain management processes are separated into the three sub process, these are Regain Analysis, Regain Activities and Regain Controlling (Stauss and Friege, 1999). Each step is examined and gives detailed information about them.

Helfert et al. (2003) also use the five-step processes to explain the regain management as; identification (to identify the terminated relationship and customer reasons for termination), segmentation(to segment the customer who is wanted to reacquire), dialogue initiation(to identify which channel is used to communicate with lost customer), regaining(to make an win-back offer) and process control(to evaluate the effectiveness and efficiency of the regain management).

2.2.1 Regain Analysis

2.2.1.1 Identification and Segmentation

Customer Regain Management starts with the analyzing the lost customers and their reasons to terminate. The companies first define the lost customers and find out the main reasons for termination the relationship. Customers terminate the relationship with the company without saying anything or they can express their opinions before the termination (Helfert et al. 2003). Most of the lost customers just switch the company without saying anything. It is a challenging task but at the same time it is one of the most important step for the regain management.

For example, for the Telecommunication or Health Insurance Company, it is more easier to define if the customer is lost or not owing to have a contract which is made between customer and company. If the customer cancels the current contract or not renews the contract, the companies categorize this customer as a lost customer and can start to regain campaign to win them back. However, for the some companies as an example e-commerce companies, it is really difficult to define the defected customer. If the customer don't give an opinion or feedback after having a problem with the firm and just cut purchasing from the company, the company can't realize if the customer is lost or not.

The identification analysis can be done via different communication channels. The company could choose to reach the customers via an online survey and ask the customers to fulfil the questions to serve them better in the future. If there is a limited lost customer, the company can call the customers and asked them if they are pleased with the service or have any problems about the services.

There are few researches that identify the switching behaviour of the customers (Keaveney, 1995; Ganesh et al. 2000; Mavri and Ioannou, 2008) and it has seen that the great variety of switching reasons exist.

Keaveney (1995) examines the switching reasons and switching behaviour on the service industries and categorize these reasons into main eight categories. According to research, the most common reasons are; core service failures, failed service encounters, pricing, respond to failes service, inconvenience, competition, ethical problems and involuntary switching. The majority of the reasons are derived by the firm; it also means that they can be solved by the firm. Some of the reasons are

derived from the competitors and customers. These reasons are needed to analyze to see if the company really can fix the problem or can't do anything due to the having no relation with the reason. Stauss and Friege (1999) distinguish the reasons into five categories to see the groups mainly:

Intentionally pushed- away customers. These groups consist of the customers whose relationship are ended by the company because it is not profitable to continue to do business with them.

Unintentionally pushed- away customers. These customers are defected because the company's performance doesn't meet the expectations of customers. This group and defection reasons of them gives a chance to the companies to improve their product and service quality and prevent the future defections.

Pulled- away customers. These customers are taken a better offer by the competitor and leave the company. The reason is not directly related with the quality of the previous service provider but they need to analyse the points where the competitor is better and why the customers terminate the relationship.

These groups are called as switchers because they are not loyal to the company. They don't switch because of a more qualified service provider; the important thing is the bribe that the competitor offers. It means these customers can switch the service provider easily.

Moved- away customers. The customers end the relationship because of the reasons are derived from themselves for example; relocation of the place where they live, the different needs due to their age, the changes in the business that they work for. In this group, the customer can't be called as defected because termination is not related with the service or product failures.

The researches have shown that not only dissatisfied customers but also satisfied customers could terminate the relationship and switch the service provider (Keaveney, 1995; Ganesh et al. 2000). That is why the reasons behind the termination should be analyzed carefully.

There are other researchers also investigate on other variables of the lost customer (Ganesh et al. 2000; Tokman et al. 2007). Ganesh et al. (2000) make a distinction between the stayers and switchers and also separate the switchers as satisfied and dissatisfied switchers and analyze them in terms of satisfaction with the service

provider, involvement, dependence, risk aversion and loyalty behavior toward the service and find that dissatisfied switchers are more loyal to their current service provider compared to satisfied switchers. Tokman et al. (2007) find that customer satisfaction with the original service provider, delight with the current provider and regret regarding the original switching decision has an impact on customers' switch-back intentions.

These analyses show clearly the importance of the definition of defection reason. To get successful result from the recapturing process, the companies first clearly define the factors that derive the switching behavior (Stauss and Friege, 1999).

After the identification the lost customer and defection reason, the firm needs to define a strategy and decide which customer they will try to win back. According to Thomas et al. (2004), "It is not worth it for firms to try to reestablish relationships with customers who are likely to lapse or to defect rapidly." (p.44). Ganesh et al. (2000) also investigate the differences between the switchers and stayers and state that "loyalty-building efforts should not be targeted to all customers of a firm" (p.65).

Helfert et al. (2003) suggest the success-oriented segmentation which is based on the profitability-oriented customer segmentation to define the valuable customers. In this model, customers are separated according to their first lifetime value for example; low, medium and high. On the other hand, the probability of the successful regaining is determined according to the each customer. For example, if the elapsed time from the last purchase of the customer is longer, the propability of recapturing is decreasing (Thomas et al. 2004). Helfert et al. (2003) state a matrix that combine the probability of successful regaining and customer lifetime value so that finding the best profitable segment or segments to target.

The company needs to develop strategies about the regaining process. For example, the company may choose the only the customers to target who have higher customer lifetime value.

2.2.1.2 Customer lifetime value

The critical and strategic step is to determine the customers who are wanted to recapture by the firm. The most profitable customers are needed to try to win back to provide the highest return on investment (ROI).

Customer Life Time Value is the net present value of the customer profitability (expected benefits like gross margin) throughout the customer – firm relationship (Dwyer, 1989). Stauss and Friege (1999) also explain the CLTV as “Current customer net profit” (p.350). CLTV focuses not only last past performance; it also focuses on the future value of the customer (Stauss and Friege, 1999).

To calculate the CLTV is not always an easy process, especially for the companies that has no membership programmes. For example for the banks, if the customer has a credit card, the company easily define customer life time value while using last purchasing data and in case of a reduction on credit card spending, the company could reach the customers, tries to learn the reasons behind it.

There are also researches to define Customer Value in the service companies which provide “membership” programs like; newspaper or insurance industries (Keane and Wang, 1995).

CLTV becomes more important for the companies while selecting the lost customers to target. But for the terminated relationship, not only customer value is enough, the life time value after the reacquisition becomes more important for the companies.

There need to be a distinguish between the first lifetime value which has occurred until the first termination and Lifetime Value which will have occurred after the reacquisition of the customer. The lifetime value after the reacquisition will be called as second lifetime value (SLTV) (Stauss and Friege, 1999; Thomas et al. 2004).

The second lifetime value (SLTV) becomes more important during the recapturing lost customers processs (Stauss and Friege, 1999, Thomas et al, 2004). SLTV is calculated after the customer is acquired (Thomas et al. 2004). Some researches assume that if the customer lifetime value is higher in the first tenure, it directly affect that SLTV will also in the same line.

Thomas et al. (2004) found that the length of the first tenure and the longer lapse durations is positively related with the second tenure of the relationship. The longer second tenure can provide firms more higher SLTV. Besides these researches, there are just two researches that explain what the determinants of SLTV are.

The company campaign and present special offers to their lost customer to gain them back. Besides the reduced price, the companies also face with other cost like advertising and marketing during the recapturing campaigns. If the company could

not calculate the SLTV of the customers, the net profit of the customer can be negative owing to expenses and it results as a failure for the firms. That is why SLTV is one of the key components of the customer acquisition programmes so it needs to be clearly defined and calculated.

2.2.2 Regain activities

2.2.2.1 Targeting decision

After the company analyses the defection reason and customer lifetime value for each customer, they need to decide which customers will be tried to win-back.

According to defection reasons as Stauss and Friege (1999) explain, intentionally pushed- away customers should not be in the scope of the regaining process because of they are not profitable for the company.

For the unintentionally pushed- away customers, the company first need to define the defection reason clearly. During the communication with the customer, the company could ask which way of solving the problem is suitable for the customers to turn back. If the customer is commitment to this decision, the company can offer economic value like discount or lower price as a win-back offer.

For the pulled- away customers, the company needs to learn in which areas the competitor is better than the service provider. If the current and previous companies products and prices are the similar, to create the social value or both economic and social value would be better to take the customer back.

Even the company focus on the bought- away customers, it will not be the profitable relationship for the companies. If the customer takes a better offer from the competitors, he / she terminates the relationship again. It happens usually when there is no switching cost or membership relation with the company for example in e-commerce companies.

For the moved- away customers, because of no defection or dissatisfaction exist and also termination reason is derived from the customer, this group will not be in the scope of regain management.

2.2.2.2 Win-Back Offer

For each customer segment, the company needs to create personalized win-back offers. Win-back offers serve as a call to action to encourage customers to switchback and potentially increases the likelihood to switchback (Tokman et al, 2007).

Gwinner et al. (1988) explain the important benefits that the customer expects are; economic, social and customization benefits. According to this, the win-back offer should include at least one of these benefits to attract the lost customers.

Economic value refers to all financial benefits (price offerings) and costs (financial switching costs) created by the win-back offer. Zeithaml (1998) defines the price as a sacrifice made to acquire a product or service. Tokman et al. (2007) proposed that price is key to the customer's value perception and, regardless of the social capital and service or both importance levels, price always carry a major weight when customers make value judgments. Thomas et al. (2004) found that offering lower prices increases the likelihood of reacquisition as a result; the economic value is an important component of the win-back offer.

Social value refers to all social benefits created by the win-back offer. Social value refers to personal relationship between the company and the customer that makes the customer feels more important from the other customers because of customized relationship, received favors and gifts (Tokman et al. 2007) For example, when the customer knows some products and services unique to him/her or name-based meetings (for example in a bank) during the purchasing, it increases the customer commitment to the service provider. Tokman et al. (2007) found that social capital moderates the relationship between service benefits and win-back offer.

Helfert et al. (2003) define four strategies for the companies to take the lost customers back. An incentive strategy tries to regain customer by offering customers some form of incentives like for example tickets for events, gifts and discounts. A compensation strategy that tries to compensate some disservices, which was the motive for termination. A dialogue strategy tries to regain trust through a personal dialog directly with the lost customer. A convincing strategy aims to convince customers by using argumentations and explanation of some product advantage.

The companies might use one or more than one strategies depending on the defection reason. According to strategy that the company decides, the communication is started with the lost customer to provide the win-back offer.

Homburg et al. (2007) define that the interaction way that how the customer is treated is an also important component of the regain management. If the win-back offer is made by the customer contact person, he or she should be well-trained and know the process clearly to gain the customer back. If the win-back offer is made to the customers in the internet, the offer should be remarkable and clearly give the message to the customer. It should not be forgotten that, the most customers left the company without saying anything, so to attract them needs more attention for the companies.

2.2.3 Regain Controlling

At the end of the regain management process, the results and customer switchback intentions need to be evaluated. The regaining cost and the actual benefits like Second Life Time Value of the customers are needed to evaluate to see the real efficiency of the process (Helfert et al. 2003).

Stauss and Friege (1999) define the regain profit as the difference between regain benefits and regain cost. They explain the regain profits as sales, communication and information benefit and the regain cost as lost customer communication cost, solution and upgrading cost for improved service offers. The cost types can vary across different industries. During the regain process, the cost of each step should be clearly defined. To contact with the lost customer, design and make offers and analyze the results requires investments on the processes.

Sales benefit is the expected profit of the customer in the Second Life Time of the customers. As Stauss and Friege state (1999), the benefits of the programme are not only the net profit of the customers. The company also increases the positive word of mouth and has a chance to learn from the customers about the troubled points. This process also enables to companies to gain the customer trust. When the customer have a problem about products or services, if the company get in touch with them and fix the problem, the dissatisfaction of the customers turns to higher level of satisfaction and trust. These benefits are called as information and communication benefits.

All the other CRM activities, regaining management should be implemented to increase the customer loyalty and profitability. If the regaining process is inefficient according to the results, the firms need to define the process from the beginning (Helfert et al. 2003).

After the reacquisition, the behaviors and the purchases are needed to be followed to see the efficiency of the program. Regain management should be a continuous improvement process for the firms.

2.2.4 Customer regain management in electronic commerce business

Electronic commerce is type of business which allows buyers and selling to do transactions over electronic systems. There are some different business models have occurred with the emerging e-commerce. E-commerce business model is one the new business which allows to customers to do online shopping via web-sites of the dealers or retailers (Hughes and Beukes, 2012). The Daily Deal web-sites is one the popular business models in e-commerce. These web sites offers various kind of deals with discount which is valid in a certain period of time (Öztürk et al. 2012).

According to Eid (2011), “The Internet and Web development have been the most exciting developments in the field of information and communications technology in recent years” (p.78). With the increasing the usage of the internet and the number of the internet users, the number of the new internet businesses have been increasing everyday.

This new business provides several advantages to the brick-and-mortar stores as lower cost structure, customization, flexibility, broader product lines and faster transactions (Srinivasan et al. 2002). Beside the advantages, there are some disadvantages and challenges that the companies face like strong competition. According to Srinivasan et al. (2002), “Competing businesses in the world of electronic commerce only a few mouse clicks away” (p.41). That is why Customer Relationship Management become more and more important in the e-commerce.

According to Helfert et al. (2003) “Customer relationship solutions are currently applied in various industries and especially with the growth of e-commerce customer relationship management (CRM) became more and more important for gaining competitive advantage.” (p.98).

That is why the most study is mainly focus on the customer retention, customer satisfaction and dissatisfaction topics in the e-commerce (Anderson and Srinivasan, 2003; Audrain et al. 2008; Lee et al. 2009). Lu et al. (2012) define the effect of customer dissatisfaction on the repurchase intention in the context of customer retention and find that the dissatisfaction directly leads to customers leaving a supplier.

They lay emphasis on the high costs and difficulties of customer acquiring and that is why these researches explain the customer attitudes and the determinants of the customers' loyalty, satisfaction and dissatisfaction that derive the repurchase intentions. Unfortunately, there is limited research which analyze the regain management of lost customer in e-commerce.

To communication with the customers is more easier process for the e-commerce companies compared to the other sectors due to the personalized accounts that recorded on the web-sites. The companies could reach to the customers and provides the win-back offers to the customers via the e-mail accounts. It is one of the low-cost way for the communication with the customers (Helfert et al. 2003). Some e-commerce companies which also want to create valuable relationship with the customers might choose the other communication ways to reach the customer for example, to send the customized letters via post to the customer address to thank to their customers or call the customers to ask the satisfaction about the service of the company.

In the e-commerce companies, the customers can take the serving from different service providers at the same time. There is no switching barriers like switching cost, the cost of cancellation of contracts that makes the switching more difficult for the customer. Even the customer have accounts on the web sites, when they leave, accounts can stay the web sites for ever without noticing.

Lu et al. (2012) define the effects of dissatisfaction on customer repurchase decision in e-commerce and they find that that repurchase intentions is negatively related with the dissatisfaction and negative emotions of the customers. This study provides a perspective about the negative emotions which could be a sign of dissatisfaction and allow for the companies to take prevent measures to increase the satisfaction and

repurchase possibility. Lu et al. (2012) only focus on the emotional side of the relationship between the companies and dissatisfies customer.

The customers don't always indicate the dissatisfaction before they leave the company and it is a very common situation in e-commerce (Lu et al. 2012). Some customers share their opinion on the web sites of the companies after they have a problem and dissatisfaction or the others share the opinions in the social web sites to spread their opinions to the other individuals. Besides these two groups, the other customers just choose to stay silent and terminate the relationship without any notice.

For the e-commerce companies, to define the lost or defected customer is a difficult process unless the customer gives a feed back why he or she left the company and what problem they have had. Helfert et al. (2003) offer companies to use Cluster Analysis to define the lost customer or who has the probability to terminate the relationship with the firm. They state that while using the variables (like the number of products purchased, time spend on online shop, content pages visit), the company could understand that which customer is likely to terminate the relationship or they have already terminated.

The companies can use some specific variables to specify the lost customer. For example, the company could define a specific length of time since the customer's last visit and if the lapsed time exceed this specific time, the company start to investigate and communication with the customer (Helfert et al. 2003; Thomas et al. 2004)

3. THE FRAMEWORK AND HYPOTHESES

3.1 Overview of the Framework

This study is addressed to two main areas in Customer Regain Management. Firstly, the variables that have affects on the probability of win-back customer will be tried to find out and secondly the relationship between the first and second lifetime value are investigated. Both first and second phase, the aim is to figure out which customers the firms should target and how they can define the most profitable customers.

According to literature review and findings from the last researches, the six dimensions are focused to explain the recapturing probability of the lost customer and modelled as stated in Figure 3.1. In the second phase, the first life time value are used to explain the second life time value of the regained customers as stated in Figure 3.2.

The first variable of the model is the defection reason that explains why the customer terminates the relationship. The second variable is the elapsed time from the last purchase of the customer before the termination. The third variable is elapsed time from the web site visit. The company can get report of the web site visits on the basis of each customer. The last visit date of the each lost customer are defined and find out how many days have passed from the last visit. The fourth variable is the number of the purchasing of each customer. This variable also shows the interaction number between the firm and customer. The fifth and sixth variable is age and gender. The last variable is the first lifetime value of the lost customer which has occurred in the first tenure and the specifies the sum of purchasings.

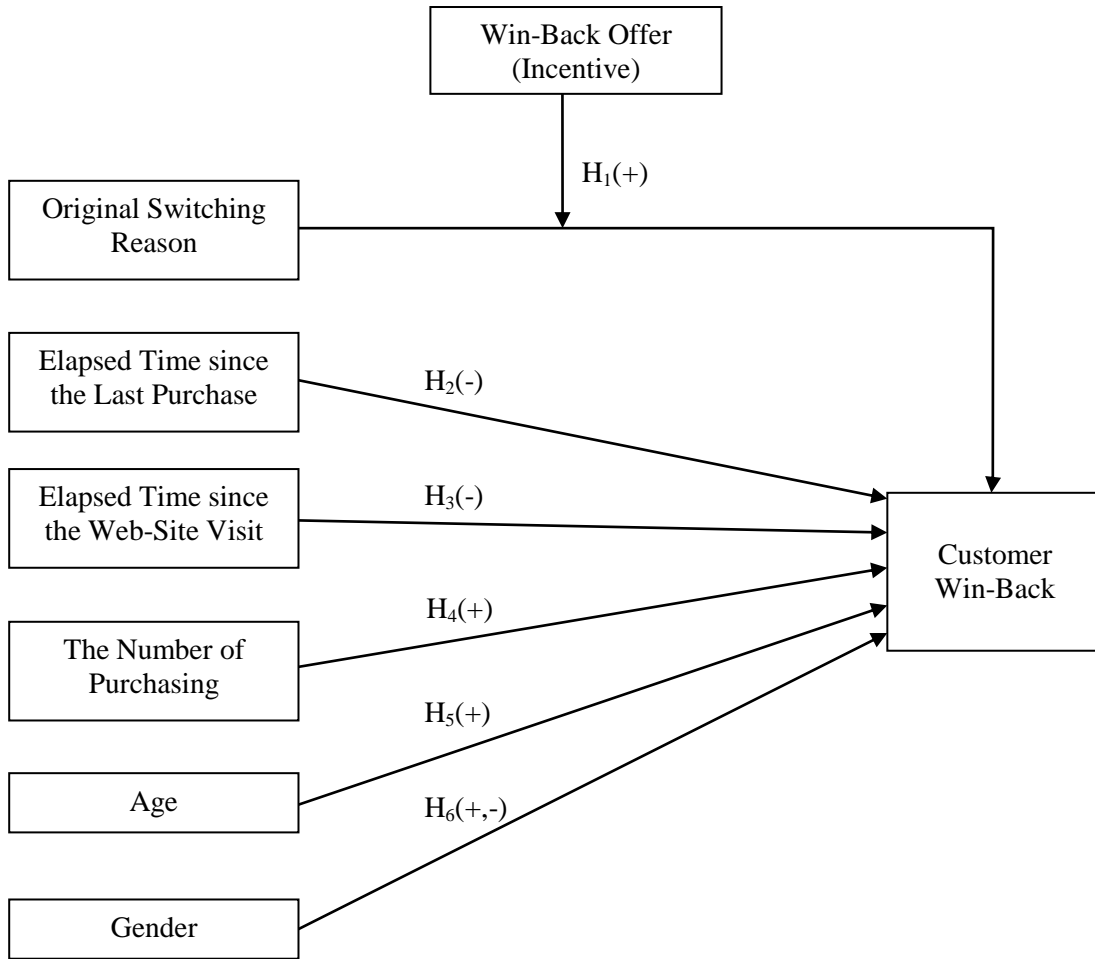


Figure 3.1 : Customer Win-Back Framework.

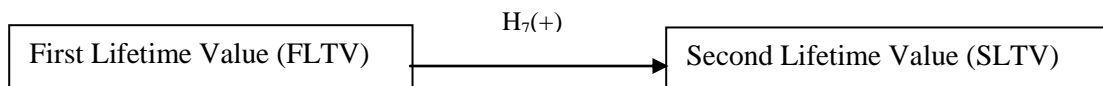


Figure 3.2 : Lifetime Value Framework.

3.2 Hypothesis

3.2.1 Switching reason

As it has been defined in the literature, to find out the defection reason is very important for the companies to figure out the defected points (Helfert et al. 2003). It is a challenge for the companies to learn the real defection reason because the most customers terminate the relationship without saying anything to the firms.

Keaveney (1995) examines the switching reasons on the service industries and categorize these reasons into main eight categories. He defined that most common reasons are core service failures, failed service encounters and pricing.

According to Keaveney (1995), "Pricing category includes the high prices, price increases, unfair pricing practices and deceptive pricing practices." (p.74). The research shows that just pricing could be a reason for switching from the current service provider which could be also a sign that just a good pricing offer could drive the switchback intentions of the lost customers.

Thomas et al. (2004) find that price has a significant influence on switchback intentions of the customer. Thomas et al. (2004) also find that "The reacquisition rate is higher if the price offered is lower" (p.34). In this study, the price effect will be measured for the customers whose switching reason is price related.

If the companies design offers in response to these defection reasons, the customers' switchback intentions will be positive towards to offers. It also provides firm a chance to increase the reliability when a customer see that his or her problem has being solved, he or she will be more loyal to company and want to continue to the relationship as a result of it.

Based on the prior researches, it has been known that, price has an impact on switchback intentions regardless the switching reason. If the customers' switching reason is price related, it is predicted that, the price offer will have a great impact on these customers so it is hypothesized as follow:

H₁: If the original switching reason is price related, win-back offer provided price incentive will have a great impact on switch-back intention on these customers and it will be positively related with the probability of customer win-back.

3.2.2 Elapsed time since the last purchase

Purchasing frequency is the time interval between the two purchases of the customer. The customers mostly decide at what time they are going to do shopping due to limited time they have so they have usually had a purchasing pattern that can be used to estimate the time of the next shopping. On online shopping, the customers are free to do shopping at any time; they don't have a problem about timing so to estimate the purchase patterns is getting difficult for the customers.

During the regain management, the important point is to determine if the relationship is really terminated or not. The purchasing frequency of the customer could be used as a sign of terminated relationship. If the average purchasing frequency is one week per one customer and he or she hasn't shopped for one month, the company needs to start looking for the reason of this elapsed time.

When this time is getting longer, the customer could find any other service providers and start to relationship with them so the longer elapsed time decreases the probability of the rebuild the relationship with the previous service provider (Ganesh et al. 2000). Ganesh et al. (2000) stated that if the customer was dissatisfied with the previous service provider, he or she would be more loyal to their current service provider.

During the first tenure of the relationship with the firm, the consumers become more loyal with the increased confidence, social engagement and customized service experience (Gwinner et al. 1998).

When the customer terminate the relationship due to dissatisfaction or any reason, if the firm doesn't realize and take the corrective measures, the dissatisfaction level will increase and he or she will be tent to find other service provider and start to relationship. When the time has passed, the loyalty of the customers to the previous service provider will be increased and even he or she takes an offer to start to relationship again, they probably refuse it. At that time, the loyalty of the customer could also increase towards to current service provider so it also decrease the switchback intentions (Tokman et al. 2007). Thomas et al. (2004) found that the greater the elapsed time from the last purchase, the lower is likelihood of customer recapture. The elapsed time from the last purchase will have a negative impact on switch-back intentions.

Even Tokman et al. (2007) didn't find a significant association between the elapsed time and switch-back intentions but in their study, it is hypothesized and try to find the relationship as follow:

H₂: The greater elapsed time since the last purchase of the lost customer is negatively related to probability of customer win-back.

3.2.3 Elapsed time since the web site visit

In the web sites of e-commerce companies, every customer has a unique name and password to use to enter the web site. After the customers enter the web site, they can choose and buy the products or services and complete the shopping so these web sites are called as online shopping stores that enable customers to do shopping.

In the last years, before the increase of the online shopping, the customer representative could help the customer to find the products, services and needed information but now, it has being done by the web-sites. So if a customer who wants to buy any product or service just visits the web-site, choose the product and make payment via web-site also.

There are some research that explains the relationship between the web-site features and customer behavior on the web-site (Danaher et al. 2006). The case of this study is lost customers who has already done shopping from the web site which means these customers has already experienced the web site so the focus will be the frequency and visit dates instead of web-sites features.

The visit time and frequency of the customer could allow the companies to figure out which customer is looking for something to buy. If several visits of the customer are not ended with purchasing, it can be also sign that the customer couldn't find anything to buy and this customer is classified as who intends to do shopping. If this customer hasn't shopped for a while but he or she still visits the web-site, the propability of winning back this customer could be higher so the hypothesis is developed as follows:

H₃: The greater the time since the elapsed time from web site visit, is negatively related to probability of customer win-back.

3.2.4 The number of the purchasing of lost customer

A popular approach is that customer who have bought more often and most recently have the highest monetary value are more likely to respond favorably to subsequent offers (Thomas et al. 2004). The other researches support this finding. For example, Bolton et al. (2000) realize that the number of product transactions are positively related with a higher likelihood of repatronage.

Keaveney and Parthasarathy (2001) state that the customers who switch the online service providers use the services less frequently than the online service continuers. It also explains that experiences of the customer related with the firm effects the customer behaviour. When the customers do more purchasing from the company, the interaction between the customer and company is getting increasing and it also increases the customer loyalty towards to the company. Srinivasan et al. (2002) define the e-loyalty as a customer's attitude toward the e-retailer that results in repeating buying behavior.

In some researches, the length of the first tenure between customer and firm is investigated to find out if there is any relationship with the reacquisition probability and the research show that the first tenure is positively related with the reacquisition probability (Thomas et al. 2004).

In this research, the focus will be the number of the purchasing instead of the tenure length. Tenure length is used to define the time interval between the time when the relationship first start and end but tenure length can be only used for some companies like newspaper, insurance or telecommunication companies which makes contract or perform membership programmes. For example in the e-commerce companies speciallt among the daily deal web sites, there is no membership programmes because the companies don't serve continuous services or products. Whenever the customer wants to buy something, enter the web site, choose the product and make payment. The customer experience increases with each purchasing. As a result of the interaction with the firm and loyalty in the first tenure, hypothesis is developed as the following.

H₄: The number of the purchasing during the first tenure is is positively related to probability of customer win-back.

3.2.5 Age

According to Homburg and Giering (2001), "Age is another demographic characteristic that has attracted considerable research attention." (p.49). They found a relationship between customer satisfaction and loyalty and age of the customer.

Homburg and Giering (2001) found that "Demographic characteristics such as age and income do play an important role as moderators of relationships between psychological and behavioral constructs" (p. 57-58).

Research in psychology has shown that the older people are more willing to continue the relationship, even in case of a problem, than the younger people (Bloom et al. 1977; Rusbult et al. 1986; Homburg et al. 2007).

According to findings, the older people are more willing to return to the previous service provider (Homburg et al. 2007) contrary to younger people so it is hypothesized as the following:

H₅: The customer age is positively related to probability of customer win-back.

3.2.6 Gender

According to previous studies, the gender of the customer can effect the evaluation of the service provider (Iacobucci and Ostrom 1993).

Frank et al. (2014) did not detect any gender difference in the influence of customer satisfaction on repurchase intent but they found that perceived value has a weaker effect on repurchase intention for women than for men. In this study, the difference on switching-back behavior of male and female are also investigated and is hypothesized as follows:

H₆: The gender has an effect on probability of customer win-back.

3.2.7 Second lifetime value

In this study, Second Life Time Value (SLTV) is calculated as the value that gains from the customer after the reacquisition of the lost customer. There are just few researches mention about the SLTV (Stauss and Friege, 1999; Thomas et al. 2004)

In this study, SLTV will be calculated as the total amount of the sales that is gained after the reacquisition and FLTV will be calculated as the total amount of the sales that was gained in the first tenure of the lost customer. Even the literature has limited research about SLTV, it is hypothesized as follows:

H₇: The Second lifetime value of the customers is positively associated with the first lifetime value of the customers.

3.3 Methodology

3.3.1 Data Collection

To test the hypotheses, the data is collected from the one of the leading e-commerce companies that serves in the Turkey. The company provides discount prices on the products and services which are valid for specific time intervals. The product range of the company is mainly intensified on the services more than products.

To test the model of the study, the definition of the lost customer should be defined first. While considering the average time between two purchasing of the lost customer, the company define the lost customer as who did purchasing at least one time and haven't bought anything since at least six month.

After analyze the data, the number of the lost customer is defined as 34500. This number represents the lost customers who purchasing at least one time and haven't bought anything since at least six month.

To do purchasing from the web-site of the company, the customers first register to the web-site via an e-mail account and password, that enables to analyze each purchasing, date of web-site visits and transactions on the basis of customer. The details of the lost customer data is provided by the company. The data includes the customer purchasing details like time, amount and frequencies and the last visit time of the web site.

After defining lost customer, the second important step is the determination of the termination reason so an online survey was conducted to lost customers.

3.3.2 Survey

To collect the necessary information as an addition to the company have, an online survey was used to gather data from lost customers (See Appendix A for English version and Appendix B for Turkish version). A personelized link was sent to e-mail address of the customers to take results on the basis of customer. The main aim of the survey is to learn the defection reason of the termination and age information of the lost customers.

During the registration to the web site, to give the age information are not obligatory for the customer, that is why this information was asked during the survey.

The find out the defection reason for the termination, list of reasons are given to the customer and are asked to choose one of them as a reason why they haven't done any shopping for a while.

There are some researches exist which have been analyzed the dissatisfaction reason in the e-commerce (Reibstein, 2002; Audrein et al. 2008; Lee, 2009). Lee et al. (2009) use the web-site information and system satisfaction and overall e-service quality variables to prove the relationship between online satisfactions and repurchase intentions. The most researches mainly focus on the reason of dissatisfaction and loyalty but according to Keeveney 1995, there is also another reasons apart from the service provider can be resulted with the termination of the relationship. Keeveney (1995) classifies customers reasons for switching into eight categories; pricing; inconvenience, core service failure, service encounter failures, poor response to service failures, better offers from competition, ethical problems, involuntary swithcing that is more personel reasons. As it is clear, not only dissaticfaction but also some personal reasons could be lead to termination.

In the survey, the reasons have been classified into five categories; the lack of services&products range, high pricing, service quality problems about the company, the quality of services&products and personal reasons such as moving different geographic area that isn't related with the firm.

The e-commerce companies mostly sell the products and services which actually belong to the third parties. The problems about the quality services&products were stated as a one option in the survey, included the core service failures, service encounter failures or not to be succeed to meet the expectation. The important point is this reason is derived from the third party who owns these products and services.

The quality problems that are derived from the e-commerce company was stated as one option; service quality problems about the company. This reason is an option for the lost customers who have had a problem about the e-commerce company and after that terminated the relationship.

The company also have the age information but to give age information is not obligatory during the registration to the web site so this information was missing for few customers. During the survey, the age information was also demanded.

There is also another option is added to the survey as a termination reason; the lack of services&products range. Because of the company changed the product range about one yer ago, it is possible that some of the customers could't find anything to buy so it was also indicated as a reason.

The price has a really high impact on the repurchase intention so higher price was indicated as a separate reason that could lead the termination.

The last reason is about the involuntary switching such as the reallocation of the home place, the change of interests and so on so it was indicated as “personal reasons” in the survey.

The survey was sent to 33.214 lost customer and 1244 of the customers have fulfilled the survey. The return rate of the survey is %3,70. The survey didn't send to the customer who has definitely stated that they don't want to hear from the company.

3.3.3 Descriptive frequencies

After the data collection from both the company and survey, all the datas were combined to analyze the descriptive statistics firstly. After the eliminication of unfavourable of the surveys, the 1181 of the answers have been analyzed with IBM SPSS Statistics Tool.

In total, the data includes the seven variables; the number of the purchasing, the elapsed time since the last web-site visit, first lifetime value, the elapsed time since the last purchase, termination reason, age and gender. The five variables except the gender and reason, include the nominal values so the mean, median, minimum and maximum values are defined are shown in the Table 3.1.

Table 3.1 : Descriptive Frequencies.

	The Number of Purchasing	The elapsed time since the last visit of the web-site	The elapsed time since the last purchase	FLTV	Age
Valid	1181	1181	1181	1181	840
Missing	0	0	0	0	341
Mean	2,33	223	390	354	37
Median	2	195	381	99	35
Minimum	1	23	184	2	20
Maximum	19	634	644	8336	67

According to the Table 3.1, the only age data is missing. Within the context of the company rules, the customer doesn't need to give the age information even this question is asked to the lost customer in the survey not all of the customers answered it.

According to the gender statistics, it has been shown in the Table 3.2, the % 71,30 of the lost customers is male where the female percentage is 28,70.

Table 3.2 : The Gender Distribution.

	Frequency	Percent
Male	842	71,30
Female	339	28,70
Total	1181	100

According to termination reason, the results are shown in the Tabel 3.3 on the basis of the answers and percentages. "The lack of product&service range" is the most common reason among the all reasons with the 57,20 percentage. The reason behind that is related with the company strategy because it changed its product range about one year ago so it indicated that this change in the strategy caused loosing the customers. "High Pricing" is the second common answer with the 19,70 percentage. The third common answer is the "Service Quality of the Company" with the 10,70 percentage.

Table 3.3 : Descriptive Frequencies for The Reason of the Termination.

	Frequency	Percentage	Cumulative Percent
The lack of product&service range	675	57,20	57,20
High Pricing	233	19,70	76,90
Service Quality of the Company	126	10,70	87,60
Personal Reasons	98	8,30	95,90
The Quality of Services& Products	49	4,10	100
Total	1181	100	

3.3.4 Win-Back Offer

An incentive strategy are followed to recapture the lost customers who have filled the survey (Helfert et al. 2007). The company provided gift cheques, which were valid

between the predefined time intervals, to these customers that they could use these cheques during the purchasing from the web-sites. The cheques are defined to customers' unique accounts on the web site. When the cheques were expired at the predefined date, the data was analyzed to see if the customers turned back or not.

3.4 Hypothesis Testing and Analysis Result

In order to analyze the relationship between the variables and switchback intentions, the Chi-Square test was used. Even the sample size is bigger than 20, the parametric tests like Anova or Independent Sample T-Test wasn't used because of that the data is not normal distributed and some of the data variables are not homogen. To be able to use the Chi-Square test, the nominal values of variables are grouped. For example, the values of the elapsed time from the last visit of web site are grouped into the five category, after that the test was conducted.

The Chi-Square test for indepenence is a statistical test that is used to discover if there is a relationship between two categorized variables. Pearson's chi-square test is one the most common of the chi-quare test. In this test, the expected and observed value are compared and if the observed value is smaller than the expected value, it means that there is no relationship between two categorized variables. In this study, as a significant level, "0,05" is used which means that 95% confident that the relationship between the two variables is not due to chance.

During the chi-square test, the reacquisition result is used as dependent variable, and the other variables like age, switching reason are used as independent variables.

3.4.1 Hypothesis 1-Switching Reason

The Chi-Square test is used to analyze to see if there is a relationship between the switching reason and customer win-back. The reacquisition result was used as dependent variable and switching reason was used as independent variable within the test. The results can be seen in Table 3.4 and Table 3.5.

Table 3.4 shows the expected and observed values within the each group. As it has showned, the total reacquisition rate is 27,40 % in the overall but to find the relation, the each group should be assessed seperately. Firstly, to prove the relationship between the termination reason and customer reacquisition, the results of the chi-square test are needed to be analyzed. Table 3.5 shows the results of this test.

According to Pearson Chi-Square test, Asymp. Sig is less than 0,05 which shows that the observed value is higher than the expected value. It means that the statistic is considered to be significant and it can be said that on the basis of the groups, the reacquisition rate differs and these two variables are interdependent. χ^2 shows the observed and expected value of the Chi-Square in this study and are stated in Table 3.4.

$$\chi^2 (4) = 25,096, p < 0,05 \text{ (Observed Value)} > \chi^2 = 13,44 \text{ (Expected Value)} \quad (3.1)$$

Table 3.4 : Crosstab - Termination Reason and Reacquisition.

		Reacquisition		Total
		Not Reacquired	Reacquired	
High Price	Count	143	90	233
	Expected Count	169,1	63,9	233
	% within Group	61,40%	38,60%	100,00%
Company Service Quality	Count	87	39	126
	Expected Count	91,4	34,6	126
	% within Group	69,00%	31,00%	100,00%
The lack of product or service range	Count	507	168	675
	Expected Count	489,8	185,2	675
	% within Group	75,10%	24,90%	100,00%
The Quality of Service or Product	Count	37	12	49
	Expected Count	35,6	13,4	49
	% within Group	75,50%	24,50%	100,00%
Personal Reasons	Count	83	15	98
	Expected Count	71,1	26,9	98
	% within Group	84,70%	15,30%	100,00%
Total	Count	857	324	1181
	Expected Count	857	324	1181
	% within Group	72,60%	27,40%	100,00%

Because of the chi-square is significant, it can be looked at the column percentages for one value of the determinant to the another. There is a trend in the percentages from one to another grup. The highest retention rate(% 38,60) belongs to the group who choose the “Higher Pricing” as termination reason. It is clear that the incentives that the company distributed to the lost customer have the highest effect on customer

win-back on the customers who choosed the “Higher Pricing” as a termination reason. According to these results, the Hypothese 1 is accepted and it can be said that, if the original switching reason is price related, win-back offer which provided price incentives, will have a great impact on switch-back intention on these customers and it will be positively related with the probability of customer win-back.

Table 3.5 : Chi-Square Test.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	25,096 ^a	4	0,00
Likelihood Ratio	25,05	4	0,00
Linear-by-Linear Association	0,132	1	0,716
N of Valid Cases	1181		

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 13,44.

The results also shows that if the customer is not satisfied with the Company Service Quality, in the presence of the win-back offer that provided the incentives, the reacquisition rate is 31%. The reacquisition rate is 24,9 % for the reason “The lack of product or service range” and %24,50 for the reason “The Quality of Service or Product”. These rates also explain the hypothesis of Thomas et al. (2003) where they stated that the reacquisition rate is higher if the price is lower. The minimum reacquisition rate, 15,30 % belongs to the group who stated that termination reason is personal. As Stauss and Friege(1999), these types of customers are segmented as Moved - away customer that it is very difficult to win-back because there is no defection reason exists and termination reason is related with the customer as the relocation of the place where they live.

3.4.2 Hypothesis 2 – Elapsed time since the last purchase

The Chi-Square test is used to analyze to see if there is a relationship between the customer win-back and elapsed time since the last purchase. The results can be seen in Table 3.6 and Table 3.7.

Table 3.6 shows the expected and observed values for the each group. At first, to prove the relationship between the elapsed time and customer reacquisition, the results of the chi-square test needed to be analyzed. Table 3.7 shows the result of the chi-square test. According to Pearson Chi-Square test, Asymp. Sig is less than 0,05

which shows that the observed value is higher than the expected value. It means that the statistic is considered to be significant and it can be said that on the basis of the groups, the reacquisition rate differs and these two variables are interdependent.

$$\chi^2(3) = 47,499 \text{ p} < 0,05 \text{ (Observed Value)} > \chi^2 = 40,04 \text{ (Expected Value)} \quad (3.2)$$

Table 3.6 : Crosstab - The Elapsed Time Since the Last Purchase and Reacquisition.

		Reacquisition		Total
		Not Reacquired	Reacquired	
6-9 Months	Count	77	69	146
	Expected Count	106	40	146
	% within the Group	52,70%	47,30%	100,00%
9-12 Months	Count	205	90	295
	Expected Count	214,1	80,9	295
	% within the Group	69,50%	30,50%	100,00%
12-15 Months	Count	323	113	436
	Expected Count	316,4	119,6	436
	% within the Group	74,10%	25,90%	100,00%
More than 15 Months	Count	247	50	297
	Expected Count	215,5	81,5	297
	% within the Group	83,20%	16,80%	100,00%
Total	Count	852	322	1174
	Expected Count	852	322	1174
	% within the Group	72,60%	27,40%	100,00%

Table 3.7 : Chi-Square Test.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	47,499 ^a	3	0,00
Likelihood Ratio	46,305	3	0,00
Linear-by-Linear Association	44,063	1	0,00
N of Valid Cases	1174		

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 40,04.

Due to the test result of the chi-square is significant, it can be looked at the column percentages for one value of the determinant to the another. The highest reacquisition rate 47,30%, is gathered from the lost customer who have the closest elapsed time since the last purchase. Table 3.6 clearly shows that with the increasing the elapsed time, the reacquisition rate is getting decreasing. For example, the reacquisition rate is 30,50% where the elapsed time between 9 and 12 months but this rate is 25,90% where the elapsed time between 12 and 15 months. The minimum acquisition rate is 16,80% where the elapsed time above the 15 months. With these results, the Hypothesis 2 is proven and can be said that the greater elapsed time since the last purchase of the lost customer is negatively related to probability of customer win-back.

3.4.3 Hypothesis 3 – Elapsed time since the website visit

The Chi-Square test is also used to analyze to see if there is a relationship between the customer win-back and elapsed time since the web-site visit. The results can be seen in Table 3.8 and Table 3.9.

The Table 3.8 shows the expected and observed values for the each group. At first, to prove the relationship between the elapsed time since the web-site visit and customer reacquisition, the results of the chi-square test is needed to be analyzed. Table 3.9 shows the result of the chi-square test. According to Pearson Chi-Square test, Asymp. Sig is less than 0,05 which shows that the observed value is higher than the expected value. It means that the statistic is considered to be significant and it can be said that on the basis of the groups, the reacquisition rate differs and these two variables are interdependent.

$$\chi^2(4) = 53,026 \text{ } p < 0,05 \text{ (Observed Value)} > \chi^2 = 51,30 \text{ (Expected Value)} \quad (3.3)$$

Due to the test result of the chi-square is significant, it can be looked at the column percentages to see the differences between the groups. The highest reacquisition rate, 41,60%, is gathered from the lost customer who have most recently(within the three months) visited the web-site. Table 3.9 clearly shows that with the increasing the elapsed time, reacquisition rate is decreasing. For example, the reacquisition rate is 28,50% who have visited the web-site within the three and six months, the rate is 25,10% if the visited time between the 6 and 9 months, the rate is 22,50% if the

visited time between the 9 and 12 months. The lowest reacquisition rate belongs to the group who visited the web site at least 15 month ago. Table 3.8 clearly shows that with the increasing elapsed time since the last-visited web site, the reacquisition rate is decreasing. According to these results, Hypothesis 3 is proven and can be stated that the greater the time since the elapsed time from web site visit, is negatively related to probability of customer win-back.

Table 3.8 : Crosstab – The Elapsed Time Since the WebSite Visit and Reacquisiton.

		Reacquisiton		Total
		Not Reacquired	Reacquired	
0-3 Months	Count	178	127	305
	Expected Count	221,3	83,7	305
	% within the Group	58,40%	41,60%	100,00%
3-6 Months	Count	158	63	221
	Expected Count	160,4	60,6	221
	% within the Group	71,50%	28,50%	100,00%
6-9 Months	Count	140	47	187
	Expected Count	135,7	51,3	187
	% within the Group	74,90%	25,10%	100,00%
9-12 Months	Count	169	49	218
	Expected Count	158,2	59,8	218
	% within the Group	77,50%	22,50%	100,00%
More than 12 Months	Count	212	38	250
	Expected Count	181,4	68,6	250
	% within the Group	84,80%	15,20%	100,00%
Total	Count	857	324	1181
	Expected Count	857	324	1181
	% within the Group	72,60%	27,40%	100,00%

Table 3.9 : Chi-Square Test.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	53,026 ^a	4	0,00
Likelihood Ratio	53,047	4	0,00
Linear-by-Linear Association	49,125	1	0,00
N of Valid Cases	1181		

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 51,30.

3.4.4 Hypothesis 4 – The number of the purchasing

The Chi-Square test is used to analyze if there is a relationship between the customer win-back and the number of the purchasing. The results can be seen in Table 3.10 and Table 3.11.

Table 3.10 : Crosstab - The Number of Purchasing and Reacquisition.

		Reacquisition		Total
		Not Reacquired	Reacquired	
1 Purchasing	Count	442	127	569
	Expected Count	412,9	156,1	569
	% within Group	77,70%	22,30%	100,00%
2 Purchasing	Count	197	74	271
	Expected Count	196,7	74,3	271
	% within Group	72,70%	27,30%	100,00%
3 Purchasing	Count	95	42	137
	Expected Count	99,4	37,6	137
	% within Group	69,30%	30,70%	100,00%
4 Purchasing	Count	48	22	70
	Expected Count	50,8	19,2	70
	% within Group	68,60%	31,40%	100,00%
5 Purchasing	Count	31	18	49
	Expected Count	35,6	13,4	49
	% within Group	63,30%	36,70%	100,00%
6 and more Purchasing	Count	44	41	85
	Expected Count	61,7	23,3	85
	% within Group	51,80%	48,20%	100,00%
Total	Count	857	324	1181
	Expected Count	857	324	1181
	% within Group	72,60%	27,40%	100,00%

The Table 3.10 shows the expected and observed values for the each group. Firstly, to prove the relationship between the number of purchasing and customer reacquisition, the results of the chi-square test are needed to be analyzed. Table 3.11 shows the result of the chi-square test. According to Pearson Chi-Square test, Asymp. Sig is less than 0,05 which shows that the observed value is higher than the expected value. It means that the statistic is considered to be significant and it can be said that on the basis of the groups, the reacquisition rate differs and these two variables are interdependent. It also means that at least two groups are different from each other.

$$\chi^2(5) = 29,357 \text{ p} < 0,05 \text{ (Observed Value)} > \chi^2 = 13,44 \text{ (Expected Value)} \quad (3.4)$$

Because of the test result of the chi-square is significant, it can be looked at the column percentages to see the difference values in Table 3.10.

Table 3.11 : Chi-Square Test.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29,357 ^a	5	0,00
Likelihood Ratio	27,602	5	0,00
Linear-by-Linear Association	27,789	1	0,00
N of Valid Cases	29,357 ^a	5	0,00

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 13,44.

According to Table 3.10, the lowest acquisition rate is 22,30% for the lost customer who only purchased once. There is other important point is 48% of the lost customers only purchased once and haven't purchased since that time. The reacquisition rate is increasing with the number of the purchasing. For example, the rate is 27,30% for he customers who only did purchasing twice, the rate is 30,70% for the customers who only did purchasing three times, the rate is 31,40% for the customers who did purchasing four times. The highest reacquisition rate, 48,20% is gained from the lost customer who did et least six times purchasing and more. According to these results, Hypotheses 4 is proven and can be stated that the number of the purchasing is positively related to probability of customer win-back.

3.4.5 Hypothesis 5 – Age

The Chi-Square test is used to analyze to see if there is a relationship between the age and customer win-back. The results can be seen in Table 3.12 and Table 3.13.

The Table 3.12 shows the expected and observed values for the each group. At first, to prove the relationship between the age and customer reacquisition, the results of the chi-square test needed to be analyzed. Table 3.13 shows the result of the chi-square test. According to Pearson Chi-Square test, Asymp. Sig is more than 0,05 which shows that the observed value is lower than the expected value. It means that the statistic is not considered to be significant so on the basis of the groups, the

reacquisition rate don't differs between the groups. According to result, age and customer win-back are not interdependent.

$$\chi^2(4) = 7,713 \text{ p} < 0,05 \text{ (Observed Value)} < \chi^2 = 10,44 \text{ (Expected Value)} \quad (3.5)$$

Table 3.12 : Crosstab - The Age and Reacquisiton.

		Reacquisiton		Total
		Reacquired		
16-25	Count	34	10	44
	Expected Count	30,5	13,5	44
	% within the Group	77,30%	22,70%	100,00%
26-35	Count	250	135	385
	Expected Count	266,8	118,3	385
	% within the Group	64,90%	35,10%	100,00%
36-45	Count	192	73	265
	Expected Count	183,6	81,4	265
	% within the Group	72,50%	27,50%	100,00%
46-55	Count	79	33	112
	Expected Count	77,6	34,4	112
	% within the Group	70,50%	29,50%	100,00%
56 and above	Count	27	7	34
	Expected Count	23,6	10,4	34
	% within the Group	79,40%	20,60%	100,00%
Total	Count	582	258	840
	Expected Count	582	258	840
	% within the Group	69,30%	30,70%	100,00%

The hypothesis 5 is not proven in this study. The highest reacquisition rate, %35,10, is gathered from the lost customer whose ages are between the 26 and 35. The minimum reacquisition rate is also gathered customer whose ages are above 55. According to Table 3.12, there is no extreme differences on the reacquisition rate between the groups. There could be several reasons behind this result. One of the raeasons could be the insufficient size of the groups. The test could be conducted only 840 of the lost customer where the main data size is 1118 because of the lack of information. The other reason could be that, in the e-commerce, the age of customers might not effect the customers' intentions to turn back.

Table 3.13 : Chi-Square Test.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7,713 ^a	4	0,103
Likelihood Ratio	7,862	4	0,097
Linear-by-Linear Association	2,153	1	0,142
N of Valid Cases	840		

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 10,44.

3.4.6 Hypothesis 6 - Gender

The Chi-Square test is used to analyze to see if there is a relationship between the gender and customer reacquisition. The results can be seen in Table 3.14 and Table 3.15 .

Table 3.14 : Crosstab - The Gender and Reacquisiton.

		Turn Back or Not		Total
		Not Regained	Regained	
Male	Count	603	239	842
	Expected Count	611	231	842
	% within Group	71,60%	28,40%	100,00%
Female	Count	254	85	339
	Expected Count	246	93	339
	% within Group	74,90%	25,10%	100,00%
Total	Count	857	324	1181
	Expected Count	857	324	1181
	% within Group	72,60%	27,40%	100,00%

The Table 3.14 shows the expected and observed values for the each group. At first, to prove the relationship between the gender and customer reacquisition, the results of the chi-square test needed to be analyzed. Table 3.14 shows the result of the chi-square test. According to Pearson Chi-Square test, Asymp. Sig is more than 0,05 which shows that the observed value is lower than the expected value. It means that the statistic is not considered to be significant so on the basis of the groups, the reacquisition rate don't differs. According to result, gender and customer win-back are not interdependent.

According to the Table 3.14, the reacquisition rate is 28,40% males, where the reacquisition rate is 25,10% within the females. The Hypothesis 6 is not proved so it is stated that there is no relationship between the gender and customer win-back.

Table 3.15 : Chi-Square Test.

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	1,331 ^a	1	0,249		
Continuity Correction^b	1,17	1	0,279		
Likelihood Ratio	1,346	1	0,246		
Fisher's Exact Test				0,28	0,14
Linear-by-Linear Association	1,33	1	0,249		
N of Valid Cases	1181				
a. The minimum expected count is 93,00. Computed only for a 2x2 table					

In this study, the effects of the gender were tried to define but this results shows that there is no differences between two groups.

3.4.7 Hypothesis 7 – Second lifetime value

To find out the relationship between the first life time value and the second life time value, Correlation analysis was used. Correlation was used to test to see the degree of association between the variables. The degree is a value that can be between -1 and +1. If the degree is a negative value, it means that, the negative relation exists between the variables. If the degree is a positive value, it means a positive relation between the variables also the closer value to the one means that strong correlation between the variables exists.

The result of the correlation is shown in Table 3.14. According to the result, the correlation coefficient is 0.22 and it is significant at the level 0.01. It means that these two variables has a positive linear relationship so Hypothesis 7 is accepted. It can be stated that the second lifetime value of the customers is positively associate with the first lifetime value of the customers.

Table 3.16 : Correlation between the SLTV and FLTV.

		SLTV	FLTV
SLTV	Pearson Correlation	1	,222**
	Sig. (2-tailed)		,000
	N	324	324
FLTV	Pearson Correlation	,222**	1
	Sig. (2-tailed)	,000	
	N	324	324

**. Correlation is significant at the 0.01 level (2-tailed).

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 Contribution to the Literature

Customer Relationship Management has been one of the most popular research topic for the researchers. Even CRM mainly focus on customer acquisition and retention, the researches have shown that customer reacquisition should be also a part of CRM. In the overall; this study provides additional insight to the customer reacquisition process.

Within the context of regain management, this study firstly identifies and explains the importance of the reason why the customers terminate their relationship with the service provider. Even few researches lay stress on this topic in the literature, this study also provides an empirical analysis to understand the relations between customer intention, switching reason and win-back offer. If a win-back offer is designed while considering the switching reason, the reacquisition rate will be higher compared to the other groups. The effect of the price incentives as a win-back offer are analyzed and seen that it has a great impact on switchback intention.

Secondly, this study defines the moderators that have effect on the customer win-back. The greater elapsed time since the last purchase and web-site visit, the possibility of the customer win-back is decreasing. Even some research do analyzing about the lost customer, they mainly focus on the emotional attitudes. However, in this research, the customer is investigated according to behavioral attitude on the company web site, which is new for the regain management in the literature. This study also focuses on the number of the purchasing of the lost customers that also represent the interaction level with the company. The result shows that, the number of the purchasing in the first tenure is positively related to probability of customer win-back.

Thirdly, this study also focuses on the Second Life Time Value that is also new for the researches. According to the result of empirical analysis, it has been found that STLV is positively related with the First Life Time Value of the customers.

All of the findings are defined with the evidences in this thesis to contribute to the literature.

4.2 Managerial Implications

Most of the companies have established Customer Relationship Management to manage customer acquisition and customer retention programmes but only few of them have realized the importance of the customer regain management.

The companies need to establish the CRM programmes to manage the reacquisition process also. In the globalizing world, it is really difficult to acquire a new customer and also it costs a lot. To provide the %100 retention rate is also another challenging task for the managers. To provide the stability and profitability of the company, the managers need to also focus on the lost customers who has already terminated the relationship.

This thesis presents a framework for regain management and provide a case study to understand the behavioral intentions of lost customers in e-commerce company that serve in Turkey. There is no switching cost and membership system in the e-commerce companies which makes easier the switching the service provider. The ease of accessing data via internet allows customer to see all the prices, products and the other companies, that is why loyalty is decreasing among these type of services.

This study shows to the managers how they can provide the higher customer reacquisition rate and which customer they need to focus and create strategies on.

It is clear that the important point is to define the lost customers and figure out their switching reasons and decide that if these customers should be gained back or not. Due to the cost of regain activities, all the lost customers can not be targeted for regain management. And also if the lost customer is not profitable for the company, it shouldn't be in the scope of these activities. In other cases, even the customer is profitable, the regain probability could be lower so the company could also choose not to focus on this customers due to the cost of process.

In this study, the variables which have relations between the probability of the customer reacquisition are investigated.

It is clear that the most highest win-back rate is gained from the customers who have done shopping more recently. It means that the elapsed time from the last purchase have a negative effect on the customer win-back probability. So what the companies do is to define the specific time arrivals and analyze the customers who haven't done purchasing for a while and need to attract them to make them do purchasing.

Another component is that the companies use to define the customer win-back probability is the web sites. The web sites allow companies to get information from the customers' visit like frequency, duration, time, the visited pages, product and services. While using this data, the company creates a strategy to reach the customer with the component what they are looking for and win-back offer could be served with these components after the several visits of the customer. The research shows that the customer reacquisition rate is the higher if the customers have visited the web site most recently.

To analyze the customers past purchase patterns also provides firms the additional information about the reacquisition probability and profitability. It is found that, if the number of the purchasing is higher, the probability of the customer win-back is higher also. It shows that the interaction level of the company effect the customers' switch-back intentions. The another valuable finding is about the second life time value of the customers which occurs after the reacquisition. The research shows that if the first life time value of the customer is higher, the second life time value also be higher after the reacquisition.

After the definition which customer will be tried to win-back, the company needs to design win-back offers to reach the customers. Win-back offers serve a call to action to encourage customers to switch-back. So for each customer, the company needs to create personalized offers considering the switching reason. In this research it has been proven that if the switching reason is price related and if the company offers price incentives to the customers, the win-back rate will higher compared to the other groups.

According to these results, the companies could make a combination with the customer win-back probability and second life time value of the customer and choose the most profitable segment for regain management.

The customer regain management is a learning process that can give insights to the business of the companies. Through the regain management, the companies can increase positive word of mouth and limit negative word of mouth, learn from the defected points that customer faced and have a chance to make service improvements to prevent potential future defections. The company also can increase the potential sales due to reacquiring the lost customers and take advantage from the lower reacquisition costs.

The reacquisition management should be a learning and continuous process for the firms not a one time exercises. Managers should investigate the model of customer switching and investigate their own customers' switching reasons. The researches shows that even the customers are satisfied with the current service provider, they could switch the firm as a response to competitive campaigns from the other service providers. That is why, the companies always analyze the customers and their patterns and should investigate strategies to prevent customer defections.

4.3 Limitations and Future Research

Regain Management is an important part of Customer Relationship Management. Even some researchers study and examine the process, there is a still a great need for further research.

Although this study gives insight about recapturing management and strategy about this process, there are still some limitations that need to be researched in the future.

In this study, the termination reason, the number of the purchasing, the elapsed time since the last purchase and web-site visit variables are used to explain the probability of the customer win-back. But emotional and cognitive factors (i.e., perceived interactional, procedural or distributive justice) and customer satisfaction level (with the previous and current company) haven't been considered as drivers of switch-back intentions. The overall satisfaction and the brand perception could be researched in the future.

Even defection reason was defined, the same offer were given to the customer to see the effects of the economic value on the different reasons. The next researches can design different offers to cover each defection reason. The win-back offers may include different components such as economic (high and low economic value) and

social value. In this study, the win-back offer only includes the price component but for the next researches, the offer might have also the social value to see the differences on switch-back intentions against to economic and social value that offer includes.

Even the relationship between the first lifetime value and second lifetime value is described, SLTV is a still important topic is needed to be researched.

These future directions could increase the knowledge and experience about the customer winback programme and its result.

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APPENDICES

APPENDIX A: The Lost Customer Survey (English Version)

APPENDIX B: The Lost Customer Survey (Turkish Version)

APPENDIX A

1. We have realized that you haven't been shopping for a while from our website. Could you please share the main reason with us to help you better?

- ☐ High Pricing.
- ☐ Poor/Insufficient Service Quality of the Company.
- ☐ Core Failure and Quality Problems on the Services/Products
- ☐ The Lack of Product&Services Range.
- ☐ Personal Reasons.

2. Could you please share your age with us?

- ☐ 16-25
- ☐ 26-35
- ☐ 36-45
- ☐ 46-55
- ☐ 56 and above

3. Could you please share your thought with us to serve you better?

.....

Thank you for completing our survey.

APPENDIX B

1. Bir süredir sitemizden alışveriş yapmadığınızı fark ettik. Size daha iyi hizmet verebilmek için nedenini bizimle paylaşabilir misiniz?

- ☐ Fiyatların Yüksek Olması
- ☐ Firmanın Hizmet Kalitesinin Kötü Olması
- ☐ Ürün ve Hizmetlerin Kalitesinde Yaşanan Problemler
- ☐ Ürün Çeşitliliğinin Az Olması.
- ☐ Kişisel Nedenler.

2. Lütfen yaşınızı belirtir misiniz?

- ☐ 16-25
- ☐ 26-35
- ☐ 36-45
- ☐ 46-55
- ☐ 56 ve Yukarısı

3. Size daha iyi hizmet verebilmek için görüş ve önerilerinizi paylaşır mısınız?

.....

Anketimize katıldığınız için teşekkür ederiz.

CURRICULUM VITAE



Name Surname: Burcu Altan

Place and Date of Birth: Bursa, 1988

Address: Fulya, Istanbul

E-Mail: burcu.altan@hotmail.com

B.Sc.: Industrial Engineering, Istanbul University

Professional Experience and Rewards:

I graduated from the Industrial Engineering Department as a second degree.

I have been working as a Business Analyst in the Finance Sector.